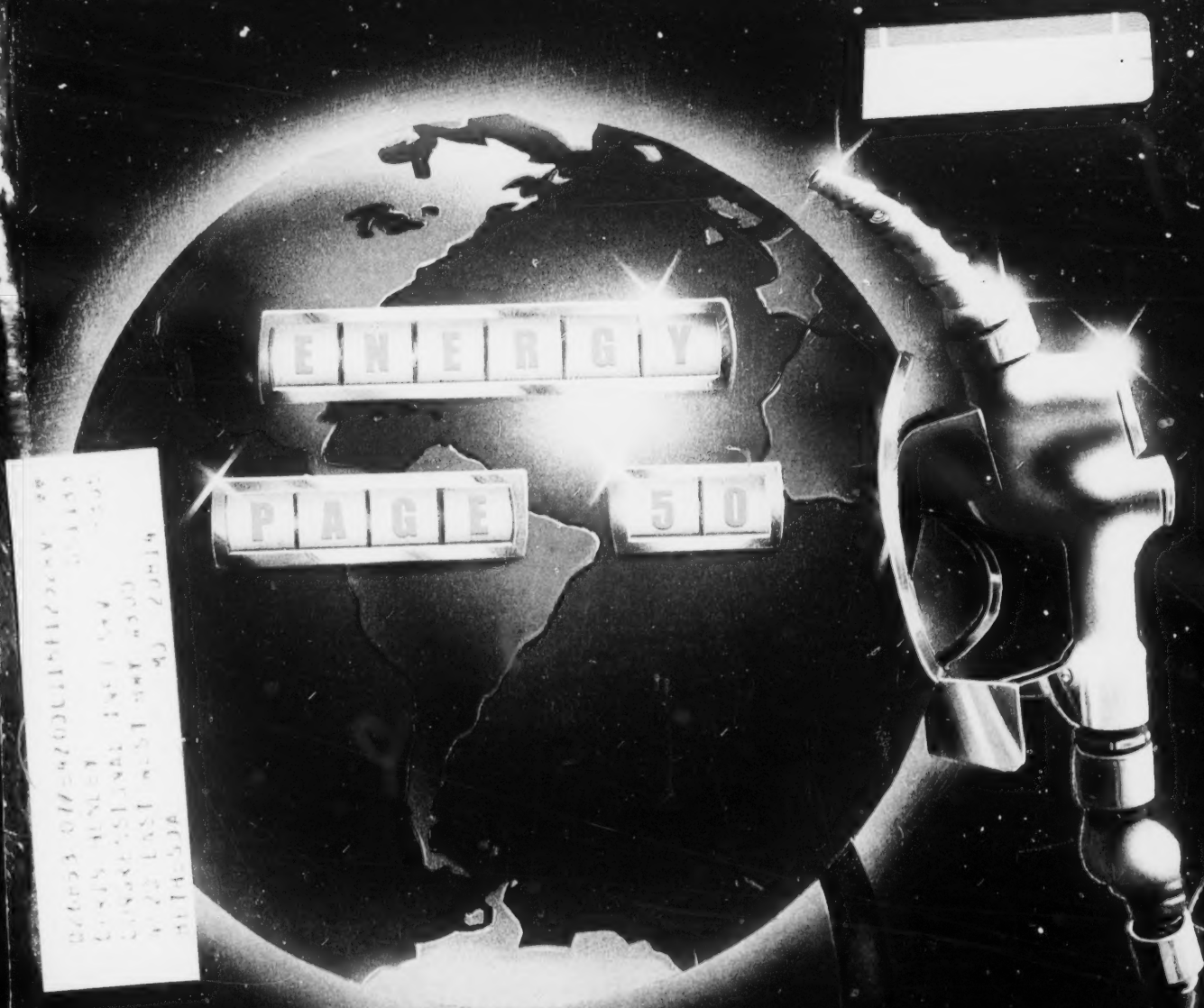


RV BUSINESS

JULY 1984 \$2.00



**Lemon Laws:
Squeezing Into
The RV Field?**

**Raw Materials
And RV Prices**

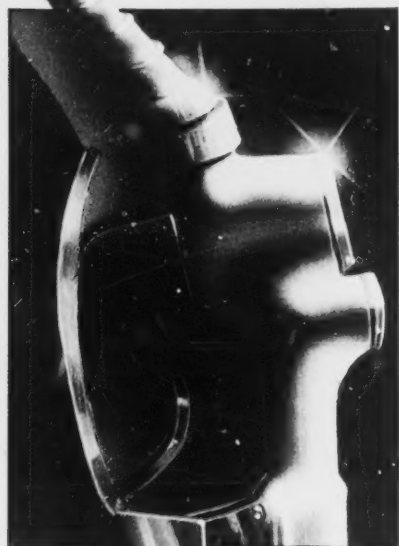
**Pickup Caps
Are Back!**

**Complying
With Emission
Standards**

**South Bend
Show**

**Complete Calendar,
Floorplans, Listings**

FEATURES



50



66



165

ENERGY <i>Alice M. Dauro/Martha McCarty</i>	50	Today's crude facts can grease your bottom line.
RED-HOT CHASSIS <i>John Thompson</i>	62	Will the EPA's hot law burn RV manufacturers?
LEMON LAWS <i>Bob Longsdorf</i>	66	Is sour power putting the squeeze on the RV industry?
RAW MATERIALS <i>Don Wright</i>	88	Take a look at the problems of RVs in the raw.
PICKUP CAPS <i>Don Wright</i>	98	Consumers are picking up on caps.
FREE PUBLICITY <i>Michael Trunko</i>	113	Learn how to chirp cheaply.
SECURITY—PART II <i>Bess Ritter May</i>	118	How secure is your security?
THE SENIOR WORKERS <i>Bess Ritter May</i>	125	Senior citizens aren't older; they're better.
DEALER OF THE YEAR	132	Here's your last chance to win—until next year.
30TH ANNUAL MIDWEST SHOW	165	America is "Living in Style."

DEPARTMENTS

EDITORIAL <i>Michael Schneider</i>	8	RV PEOPLE	46
LETTERS	10	RVDA <i>Fran Van Pelt</i>	48
WRIGHT <i>Don Wright</i>	18	DETROIT <i>Ellis Trantor</i>	79
MAXWELL <i>Gaylord Maxwell</i>	24	GUESTVIEW <i>R.J. Emprimo</i>	82
BAROMETER <i>John Thompson</i>	33	NEWS <i>Olga Markowitz</i>	135
PERSPECTIVE <i>Gaylord Maxwell</i>	36	MANAGEMENT MARQUEE <i>Alice M. Dauro</i>	151
ASSOCIATIONS	37	AD OF THE MONTH <i>Ben Sussman</i>	155
SHIPMENTS	38	CALENDAR	174
OERTLE <i>V. Lee Oertle</i>	40	RETALES <i>Bob Stevens</i>	178

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RV BUSINESS is published by TL Enterprises Incorporated with editorial and business offices at 29901 Agoura Road, Agoura, California 91301; (818) 991-4980.

RV BUSINESS is published monthly; a directory appears annually. Subscription rates: U.S. and Canada, \$24 a year; \$48 for two years. Foreign subs, \$48 per year. Single copies are \$2 for regular issues and \$9.95 for the directory. Advertising rates on request.

Record all changes of address in writing with the Circulation Department at least 50 days before date of issue in which they are to take effect. Address all correspondence and editorial material to Agoura, California, office.

RV BUSINESS is published by TL Enterprises Incorporated, which also publishes the *RVB Annual RV Industry Directory*, *Trailer Life*, *MotorHome*, *Rider*, *Riderannual*, *Trailer Life's Annual RV Buyer's Guide*, *Trailer Life's RV Campground & Services Directory* and *Hi-Way Herald* for the Good Sam Club. TLE's Book Division currently has six books in print.

JOHN THOMPSON

CHEAP STOCKS

More good press for the RV industry; this time in the May 2-15, 1984, issue of *Financial World*. Among many glowing observations: Coachmen is undervalued and has had the highest year-to-year gain in net margins; Fleetwood has no debt, good cash reserves plus the "buffer" of a substantial manufactured housing business to soften any decline in RV demand; and Winnebago promises a bright future with several innovative products and heavy commitment to the rental business. The article praises the industry's excellent recovery, the overall boost in RV quality, and good future demographics. "Analysts say these stocks are cheap in comparison to how they traditionally sell in relation to the overall market. . . ." says the author, while at the same time suggesting that the "easy money" in these stocks may already have been taken.

COACHMEN RESULTS

Coachmen's first-quarter sales of \$155.4 million were up 60% above the \$96.9 million reported for the similar period last year. In commenting on the previously announced election to the ranks of the Fortune 500, Tom Corson and C. Ray Johnson noted that within those 500 companies chosen for largest overall sales, Coachmen earned the following ratings: No. 2 in sales increase, No. 8 for return on shareholder equity, No. 5 for earnings per share growth rate over the past 10 years, No. 9 for total return to shareholders and No. 1 for total return to shareholders over the past 10 years with an average annual return of 49.19%.

PAYING FOR PROFITS

Zimmer's first-quarter sales rose 19% to \$45.9 million vs. last year's first-quarter sales of \$38.5 million, while earnings for the period sunk from \$516,000 to \$219,000. Paul Zimmer explained that earnings were adversely effected by new-product development expenses. Most of these costs are now behind the company, and Zimmer predicted that the investment will create improved performance during the quarters to come. Of special interest are a minivan conversion on Chrysler's T115 chassis (to be

made by Zimmer Motor Vans in Georgia) plus several new motorhomes from the Mobile Traveler division. Among the latter are the Viscount, a Class A motorhome in 27- to 34-foot lengths, the Jubilee 23- and 26-foot Class C's, and a line of travel trailers from 25 feet to 32 feet. Mobile Traveler executives say that the long-awaited Astron motorhome is now in production and being shipped to dealers.

203% MORE PROFITABLE

Winnebago's second-quarter sales of \$88.2 million rose 90% above last year's second-quarter sales of \$46.3 million and generated a 203% improvement in overall profits. First-half sales thus become \$162.3 million compared to last year's \$84.1 million. The company's new body front-wheel-drive vehicles introduced last year already account for 20% of current sales volume, says President Ron Haugen. During the current quarter, Winnebago also began producing its new line of Elandan and Windcruiser Class A's that will compete in the retail arena at the \$46,000 level.

LOOKING GOOD

Champion's dollar sales of motor vehicles (including motorhomes and buses) for the fiscal year ended March 2, 1984, rose 37% from \$38.4 million to \$52.5 million. Factory unit shipments rose 32% from 1,386 to 1,836 motor vehicles. Overall company sales for the fiscal year were \$353.3 million, up 28% (85% of Champion's revenue comes from sales of manufactured homes).

ANOTHER NEW RECORD

Preliminary reports show Fleetwood's fourth-quarter sales standing at \$413 million, up 36% over the \$303.4 million reported in last year's fourth quarter. That is the sixth consecutive record-setting quarter for the company. It brings annual sales up to \$1.4 billion, a 66% increase over last year's \$858 billion. RV sales for the latest quarter were approximately \$283 million, a 48% improvement. "The motorhome division led the RV increase with a . . . 61% increase in sales to about \$192 million," says the company report. "Travel-trailer

sales grew by 26% in the period to over \$91 million." While President Glenn Kummer observed that dealer sales during the quarter were effected by bad weather, he looks for better retail results " . . . if interest rates do not rise much further and consumer confidence stays reasonably high."

OPINION

As usual, the economic news simultaneously presents a good and bad countenance. The good news is that the "overactive" economy, which was predicted to choke on its own gluttony during 1984, has managed to tame its appetite, thus theoretically forestalling doom. The bad news is that a rising prime rate is the key factor in holding the recovery to a healthier pace. In the long term, the slowdown is quite positive as we want the recovery to move along smoothly into and through 1985. But if the brakes go on too hard (i.e., interest rates rise to an unhealthy plateau), we could easily re-create the recession. From many past experiences, we know just how sensitive some segments of the RV industry can be to fluctuating finance costs. As this column is being assembled, some dealers are reporting a tangible sluggishness on the part of normally credit-sensitive customers. Those dealers who have managed to lower consumer credit costs, either themselves or through manufacturer-devised programs, have found themselves enjoying a buffer against the effects of a higher prime. Certainly, if the price of credit were to continue upward, such a buffer would quickly lose its potency; for the time being, there are demonstrable benefits. Ideally, we would like to see the prime resting precisely where it would encourage smooth growth and retard excesses. Until we

Prior to joining RVB as a contributing editor, John Thompson was an investment banker with a New York Stock Exchange member firm. He specialized in corporate finance, mergers and acquisitions. He was also a principal in a federally chartered small-business investment company, which was active in real estate development projects. Thompson is now a widely published author who writes regularly for all TL publications and has authored two books for TL Enterprises.

Table 1. Industry Statistics: 1982 and Earlier Census Years

[Number of establishments shown represents only those in business at end of particular census year. All other figures are included for establishments in business at any time during particular census year. For meaning of symbols, see text]

Year	All establishments		Establishments with payroll			
	Number	Sales (\$1,000)	Number	Sales (\$1,000)	Annual payroll (\$1,000)	Paid employees for pay period including March 12 (number)
1982 ¹	↑	↑	2 475	2 772 171	233 521	16 390
1977 ²	5 234	2 896 364	3 237	2 777 723	207 369	20 205
1972 ³	*	*	2 251	1 167 290	82 064	11 579
1967 ³	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)

Note: See footnotes 1, 2, and 3 at end of table 2

Table 2. Sales of Major Merchandise Lines as Percent of Total Sales: 1982 and Earlier Census Years

[Includes only establishments with payroll. For meaning of symbols, see text]

Merchandise line	1982 ¹	1977 ²	1972 ³	1967 ³
All merchandise	100.0	100.0	100.0	(NA)
Sporting goods	6	7	90.9	(NA)
Recreational vehicles	88.3	91.4		(NA)
New camping trailers	5.7	(NC)	(NA)	(NA)
New travel trailers	20.2	(NC)	(NA)	(NA)
New truck campers	4.1	(NC)	(NA)	(NA)
New motor homes	27.9	(NC)	(NA)	(NA)
Used recreational vehicles	23.3	(NC)	(NA)	(NA)
All other including parts and equipment	7.1	6.7	(NA)	(NA)
Cars, trucks, and powered vehicles	1.9	1.8	1.5	(NA)
Automotive fuels	3	2	1	(NA)
Auto tires, batteries, and accessories	2	2	6	(NA)
Utility trailers	1.8	(NA)	(NA)	(NA)
Nonmerchandise receipts	5.2	3.6	3.2	(NA)
Labor charges	2.4	1.9	(NA)	(NA)
Parts installed in repair	1.9	1.2	(NA)	(NA)
Vehicle rental and leasing	5	3	(NA)	(NA)
Other nonmerchandise receipts	4	2	(NA)	(NA)
All other receipts	1.7	(NC)	(NC)	(NA)

¹Leased departments classified in this industry are included as if they were separate establishments.

²Data adjusted for comparable treatment of leased departments between 1977 and 1982.

³Comparability of statistics with 1977 and 1982 may be slightly affected by different treatment of leased departments.

have mastered the art of economic engineering, however, we'll simply have to learn ways of graciously going with the flow. Manipulating credit is perhaps only one of many stabilizing techniques available to a credit-conscious industry. Today's laboratory of reality does offer a unique opportunity to see what does and doesn't work.

IN BRIEF

As an industry, travel and tourism outperformed the overall economy through the recent recession. * * **Coachmen** has agreed to buy **United Sales and Warehouse of Texas**, an \$18.5 million annual sales wholesale distributor of RV and mobile home parts, to enhance its Coach-

Lite operation in the Southwestern market (see page 135, "Industry News").

* * **Foremost** reported first-quarter operating income of \$1.9 million, down from \$4.9 million for the same period last year, primarily due to severe property and casualty losses on the East Coast. * * **Pentair** has purchased the entire machinery manufacturing operations of **Rockwell Power Tool**. * * **Chrysler** has decided to spend up to \$400 million on increasing production of its popular new front-wheel-drive minivan. * * **General Electric Credit** reported earned income for 1983 of \$1,949,211,000 vs. \$1,938,551,000 for fiscal 1982, while net earning rose to \$271 million from \$204.7 million in the same

interval. * * **American Bankers Insurance** earned revenues for the latest fiscal year were \$297.9 million, up 13% from the previous year.

CENSUS TALK

Appended to this column are preliminary results of the 1982 census report on recreational and utility trailer dealers. While the data includes both types of product, bear in mind that RVs account for nearly 90% of the various sales figures; thus, the statistics are heavily weighted. Read simply as a collection of data, the material is interesting enough. Play with the figures yourself, though, and you'll come up with a number of thought-provoking perspectives.

Table 3. Comparative Industry Statistics for States: 1982 and 1977

[Number of establishments shown represents only those with payroll in business at end of particular census year. All other figures are included for establishments with payroll in business at any time during particular census year. For meaning of symbols, see text]

Geographic area	Establishments ¹		Sales ¹		Annual payroll ¹		Paid employees for pay period including March 12 ¹	
	1982 (number)	1977 (number)	1982 (\$1,000)	Percent change 1977 to 1982	1982 (\$1,000)	Percent change 1977 to 1982	1982 (number)	Percent change 1977 to 1982
United States.....	2 475	3 237	2 772 171	-2	233 521	12.6	16 390	-18.9
Alabama.....	23	41	24 057	-21.2	1 485	-21.2	127	-36.8
Alaska.....	7	10	6 872	-31.4	843	5.2	41	-34.9
Arizona.....	50	47	80 495	37.6	8 415	46.6	524	.8
Arkansas.....	22	19	16 629	-5	1 321	24.3	129	27.7
California.....	337	444	525 437	-8.9	47 476	13.1	2 866	-22.6
Colorado.....	51	68	58 264	-2.9	5 711	21.3	334	-22.2
Connecticut.....	16	22	12 184	-23.0	1 482	18.4	90	-19.7
Delaware.....	8	13	4 039	-42.1	332	-20.2	25	-50.0
District of Columbia.....	1	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Florida.....	136	149	196 519	75.2	17 282	100.6	1 379	43.6
Georgia.....	36	54	28 133	-40.5	2 548	-31.2	217	-41.7
Hawaii.....	1	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Idaho.....	28	43	22 145	-19.6	1 346	-31.0	154	-30.0
Illinois.....	85	127	73 252	-24.5	5 832	-25.2	433	-41.4
Indiana.....	83	108	96 391	6.1	7 489	18.5	505	-21.1
Iowa.....	45	58	40 185	-37.6	3 328	-15.5	246	-33.0
Kansas.....	41	57	28 900	-17.3	2 131	-12.2	176	-32.6
Kentucky.....	25	30	15 750	-20.7	1 092	-26.1	121	-17.1
Louisiana.....	36	36	37 855	32.2	2 472	11.5	209	-7.1
Maine.....	14	20	7 072	-28.1	463	-41.0	41	-52.9
Maryland.....	28	47	31 597	-18.9	2 765	-19.1	244	-33.9
Massachusetts.....	27	41	26 599	10.5	2 142	.5	167	-32.4
Michigan.....	126	189	120 041	-20.1	9 270	-24.0	622	-42.9
Minnesota.....	52	72	49 961	-16.6	4 195	-1.4	316	-20.0
Mississippi.....	14	24	11 056	-4.0	862	8.6	68	-33.3
Missouri.....	46	69	40 093	-7.4	3 376	4.3	235	-34.7
Montana.....	15	18	25 782	81.9	2 306	123.4	177	68.3
Nebraska.....	25	34	22 736	-20.3	1 858	-5.6	131	-37.9
Nevada.....	17	15	39 553	108.1	2 779	47.2	201	44.6
New Hampshire.....	17	22	21 342	19.4	1 908	13.8	129	-25.9
New Jersey.....	38	59	31 658	-18.4	2 645	-5.8	180	-40.0
New Mexico.....	33	35	26 697	8.5	2 553	34.1	201	-6.1
New York.....	98	135	81 316	1.6	6 471	8	527	-20.3
North Carolina.....	35	62	39 355	3.9	2 948	1.8	215	-32.0
North Dakota.....	7	17	17 814	13.5	990	-9.0	59	-51.6
Ohio.....	119	166	98 977	-32.2	8 431	-18.7	628	-34.8
Oklahoma.....	35	57	55 041	38.9	4 532	72.1	290	-4
Oregon.....	61	84	85 238	-12.3	6 149	-10.7	376	-36.0
Pennsylvania.....	120	146	90 789	-9.0	6 791	-4.0	571	-30.3
Rhode Island.....	4	10	(D)	(D)	(D)	(D)	(D)	(D)
South Carolina.....	24	22	14 748	9.6	1 330	29.6	134	25.2
South Dakota.....	12	20	10 490	-25.2	662	-33.2	51	-46.9
Tennessee.....	35	43	45 574	45.2	4 100	100.2	296	18.4
Texas.....	198	180	258 142	85.3	21 416	123.3	1 421	44.6
Utah.....	25	30	32 340	33.2	2 300	34.8	174	-9.9
Vermont.....	5	6	3 179	82.1	310	110.9	20	5.3
Virginia.....	47	59	35 663	-7.7	3 388	18.3	255	-18.0
Washington.....	82	111	115 698	-21.4	10 194	-10.0	654	-30.3
West Virginia.....	23	32	15 089	5.7	1 329	8.2	111	-27.0
Wisconsin.....	54	72	33 437	-25.3	2 724	-22.0	228	-39.9
Wyoming.....	8	14	8 277	-8.1	703	7.0	41	-38.8

¹Leased departments classified in this industry are included as if they were separate establishments. Data for 1977 adjusted for comparable treatment of leased departments between 1977 and 1982.

One such observation is that total 1982 revenues for 2,475 dealers just about equaled the efforts of 3,237 dealers in 1977. That seems to be the age-old benefit of adverse times (i.e., while some participants are forced out, the survivors emerge as much stronger entities). Another interesting use for these numbers is to see how the typical dealer fared. On a nationwide scale, for instance, the statistically average dealer rang up 1982 sales of \$1.1 million vs. \$858,000 in 1977 (although the comparison is not adjusted to reflect inflation). As you'll see, however, the averages for individual states are quite different. Listed in order of the quantity of competition within each state, a typical California dealer

reported \$1.6 million in 1982 sales, his Texas counterpart did \$1.3 million and the typical Florida dealer reported \$1.5 million. In states with a lower dealer concentration, Arizona, Colorado, Minnesota, Missouri, Virginia and Wisconsin each had about 50 dealers, but annual sales for the typical establishment were (in \$millions): 1.6, 1.1, .96, .87, .76 and .62, respectively. Two states with very few dealers (Nevada and North Dakota) had especially high sales per dealer: \$2.3 million and \$2.5 million, respectively. North Dakota also led the parade by a huge margin when it came to measuring the sales generated by each employee, with Oregon, South Dakota, Wyoming, Nevada and Indiana follow-

ing in that order. Once again, North Dakota ranks high when it comes to wages paid per employee, but Alaska leads the pack by a safe margin. The real value of such statistics goes beyond noting that there is more business to be garnered in one state than in another. After all, you're not going to pack up and move everything to North Dakota. It is interesting, however, to manipulate the numbers to see how your own business compares with the averages for your area. Calculating payroll as a percentage of sales, for instance, is one such yardstick. When you're through, you'll probably pinpoint areas that need polishing or refining, but you'll also find a few reasons for patting yourself on the back! Δ

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR TO DATE			FOR MONTH			YEAR TO DATE		
	APRIL '84	APRIL '83	% CHANGE	1984	1983	% CHANGE	APRIL '84	APRIL '83	% CHANGE	1984	1983	% CHANGE
MOTORHOMES	113	126	-10%	401	374	+ 7%	74	82	- 10%	303	261	+ 16%
TRAVEL TRAILERS	94	131	-28%	319	346	- 8%	88	111	- 21%	301	314	- 4%
TRUCK CAMPERS	19	20	- 5%	64	57	+ 12%	20	9	+ 122%	89	51	+ 75%
CAMPING TRAILERS	221	172	+ 28%	689	500	+ 38%	34	40	- 15%	100	103	- 3%
FIFTH-WHEELS	44	27	+ 63%	149	102	+ 46%	13	9	+ 44%	38	44	- 14%

	FOR MONTH			YEAR TO DATE		
	APRIL '84	APRIL '83	% CHANGE	1984	1983	% CHANGE
SALES VOLUME	\$8,451,141	\$8,983,837	-6%	\$29,591,613	\$26,170,660	+ 13%
TOTAL UNIT SALES	720	727	-1%	2,453	2,152	+ 14%
NEW UNIT SALES	491	476	+ 3%	1,622	1,379	+ 18%
USED UNIT SALES	229	251	+ 9%	831	773	+ 8%

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross section of the U.S. dealer body. DAB dealerships range in size from very small (less than a million dollars in annual sales) to very large (more than \$15 million in sales). Some specialize in one RV type; others offer two or more types. This report is an attempt to reflect the current retail sales picture—to show how dealers are doing. It does not purport to indicate RV production or factory sales to dealers.

Sales figures for many RV dealers took a very definite change for the worse in April. It was a shock after nearly two years of upswing to see pluses turn into minuses. Yet they are quite definitely in line with the trend that has been reported in this space for several months. The RV sales bubble has not burst, but it is taking a new shape insofar as the average dealer is concerned.

Overall, RV sales have not taken a downturn. More RVs are being sold now than ever before. What has happened is that the upswing has flattened out. That factor, combined with the increase in dealerships, has created a new ball game for those dealers who have been experiencing a field day for two years. In short, the pie isn't growing as fast and we have a lot more eaters.

Nine of the 22 dealers on RVB's Dealer Advisory Board (DAB) were down in sales from last April, some as much as

50%. Those who specialize in motorhomes and/or travel trailers suffered most. Profits were down too.

MOTORHOMES

Motorhome sales are at an all-time high, and probably so is the number of motorhome dealers. The gravy train that dealers of this RV type have ridden on so joyously for so long has definitely become overcrowded. Quite likely, some of them will be pushed off.

Although profits were rated good by many dealers, the April report shows more fair ratings than we have seen in two years.

It is almost certain that more motorhomes will be sold each year in the near future than have been sold in past years. It is also just as certain that motorhome dealers are going to have to scramble harder for a share of the market.

TRAVEL TRAILERS

This is the only category to show solid minuses. Sales are down for April and for the year-to-date, new and used. Most trailer dealers are struggling to maintain a status quo. Some are succeeding, but many are not.

There doesn't seem to be any rational explanation for the flattening out. The economy is much better—working people are working. Interest rates aren't out of sight. Yet families aren't buying travel trailers as fast as expected.

Profits have dropped, too. Three members of the DAB rated them poor.

TRUCK CAMPERS

New-unit sales dropped by one in April, but year-to-date sales are still up. Used sales were exceptionally good for the DAB. Profits were rated excellent by two dealers.

There's quite a bit of dealer turnover in the camper part of the RV industry. It seems that for every one that comes in, one drops out. Significant success is hard to come by, yet there are those who find their niches in the camper business.

CAMPING TRAILERS

This is definitely a bright spot in the RV business this year. New units are moving exceptionally well. If the trend continues, it will be the best folding-trailer year in a long time.

Undoubtedly, the fact that blue-collar employment is up accounts for increased sales of this RV type. Family camping is on the rise, and this segment of the industry marks the beginning point for many families.

Profits were rated good to excellent.

FIFTH-WHEELS

Those dealers on the DAB who carry strong fifth-wheel inventories and promote them properly are having a field day. It takes a lot of the latter. Those dealers who have had good displays at shows have generally found the results very satisfactory.

Profits are varied but strongest in the good column. Δ

WDA QUARTERLY SALES FIGURES

RVBusiness publishes a quarterly report of sales statistics from the Warehouse Distributors Association. The chart shown here is based upon a representative sampling of WDA members, as compiled in the first quarter of 1984. While these statistics are not intended to be fully indicative of the sales volume among distributors in the RV and MH industries, they are presented here as an insight into the supplier/distributor industry.

SALES VOLUME

	FIRST-QUARTER SALES VOLUME	
	PERCENT CHANGE 1983 to 1984	RANGE OF CHANGE
REGION 1	+ 22.1%	+ 33.6% to - 6.7%
REGION 2	+ 37.0%	+ 79.2% to - 6.3%
REGION 3	+ 17.3%	+ 52.3% to - 13.0%
REGION 4	+ 15.5%	+ 76.7% to - 150.5%
REGION 5	+ 30.0%	+ 56.9% to - 3.1%
REGION 6	+ 25.1%	+ 52.5% to - 6.4%

These figures represent the first-quarter sales volume and also reflect year-to-date sales for 1984.

Region 1: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Washington, D.C.; **Region 2:** Alabama, Florida, Georgia, Mississippi, North and South Carolina and Tennessee; **Region 3:** Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North and South Dakota, Ohio and Wisconsin; **Region 4:** Arkansas, Colorado, Kansas, Louisiana, Oklahoma, New Mexico and Texas; **Region 5:** Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming; **Region 6:** Canada.

RVIA, APRIL

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during April 1984 was 44,000 units, up 22.2% from April of 1983.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

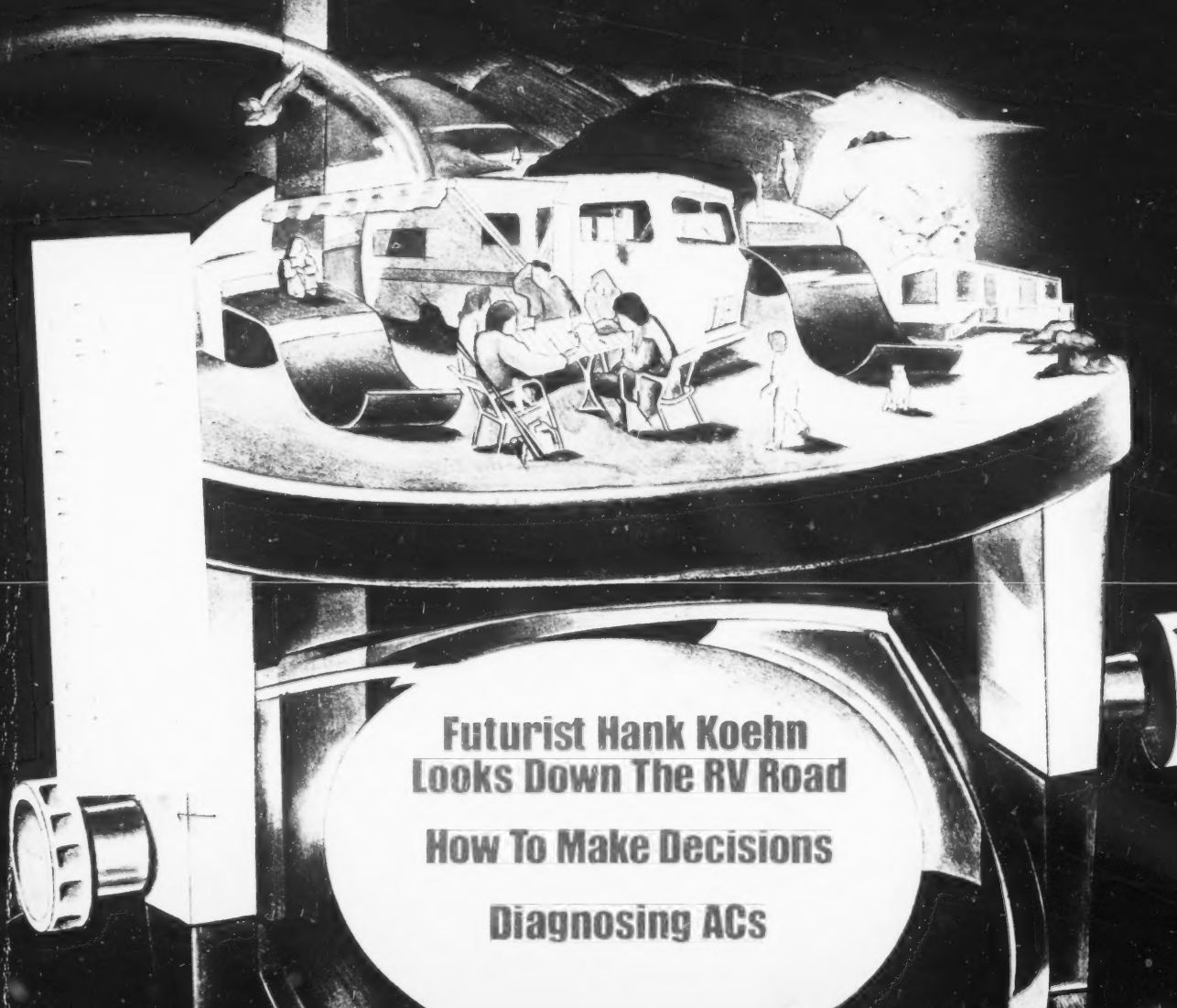
RV shipments were as follows in April 1984		April 1983	Percent Change	Cumulative 1984	Cumulative 1983	Percent Change
TRAVEL TRAILERS	9,500	8,800	+ 8.0%	31,100	25,400	+ 22.4%
FIFTH- WHEELS	2,500	1,800	+ 38.9%	7,500	5,300	+ 41.5%
TRUCK CAMPERS	900	800	+ 12.5%	3,000	2,300	+ 30.4%
MULTI-USE VEHICLES	17,100	14,200	+ 20.4%	57,500	50,700	+ 13.4%
TYPE A: MOTOR- HOMES	4,500	3,000	+ 50.0%	15,800	9,900	+ 59.6%
TYPE B: VAN CAMPERS	900	500	+ 80.0%	2,700	2,100	+ 28.6%
TYPE C: MINI MOTOR- HOMES	4,000	3,000	+ 33.3%	14,300	9,300	+ 57.1%
FOLDING CAMPING TRAILERS	4,600	3,900	+ 18.0%	15,200	13,500	+ 12.6%
TOTALS	44,000	36,000	+ 22.2%	147,100	118,300	+ 24.3%

RV BUSINESS

AUGUST 1984 \$2.00

**CLOSE-UP ON
CAMPGROUNDS,
PARK MODELS
AND PROFITS**

2

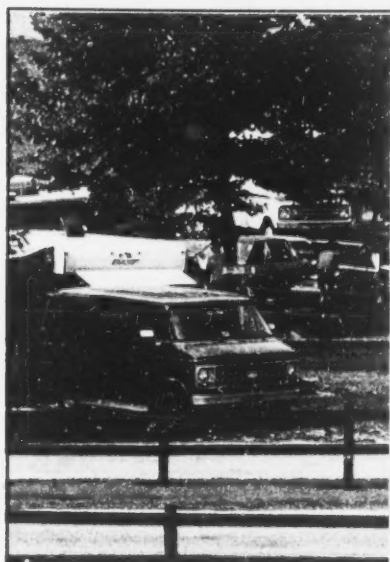
A large, stylized illustration of a motorhome dominates the lower half of the cover. A circular cutout in the side of the RV reveals a family of four—two adults and two children—camping in a scenic landscape with mountains and a rainbow. The family is gathered around a campfire, with one person sitting in a chair and another standing. The RV itself is shown from a side profile, with its wheels and front end visible.

**Futurist Hank Koehn
Looks Down The RV Road**

How To Make Decisions

Diagnosing ACs

ON THE COVER: To the uninformed, campgrounds are just another pebble on the RV beach. Seen under the microscope of inquiry, however, the campground industry is a real gem. See page 46. Illustration by Raphaelle Goethals.



46

RV BUSINESS

FEATURES

- | | | |
|---|-----------|--|
| CAMPGROUNDS
<i>Bob Longsdorf</i> | 46 | After weathering a series of shakedowns, the future looks bright. Two parks pump life into the Arizona desert. |
| SIDEBAR | | |
| PARK MODELS
<i>Don Wright</i> | 58 | A steady, strong year is expected for park model manufacturers. |
| AWNING ROOMS
<i>Alf Agdler</i> | 68 | A European innovation catches on in the United States. American suppliers jump into the new trend. |
| SIDEBAR | | |
| HANK KOEHN
<i>Bob Longsdorf</i> | 76 | RVB interviews Security Pacific National Bank's futurist. |
| TROUBLESHOOTING
<i>Don Wright</i> | 81 | A misdiagnosis shoots holes in your customer relations. |
| SECURITY III
<i>Martha T. McCarty</i> | 88 | Employee theft: Do you know what's going out your back door? |
| DECISIONS
<i>Susan R. O'Hara</i> | 95 | No decision is still a decision. |

DEPARTMENTS

- | | | | |
|--|-----------|---|------------|
| EDITORIAL
<i>Michael Schneider</i> | 3 | RVDA
<i>Fran Van Pelt</i> | 40 |
| LETTERS | 6 | RV PEOPLE | 42 |
| WRIGHT
<i>Don Wright</i> | 10 | INDUSTRY NEWS
<i>Olga Markowitz</i> | 103 |
| MAXWELL
<i>Gaylord Maxwell</i> | 19 | PRODUCT SPOTLIGHT
<i>Don Wright</i> | 119 |
| BAROMETER
<i>John Thompson</i> | 25 | MANAGEMENT MARQUEE
<i>Bill Spanke</i> | 123 |
| PERSPECTIVE
<i>Gaylord Maxwell</i> | 26 | AD OF THE MONTH
<i>Ben Sussman</i> | 127 |
| ASSOCIATIONS
<i>Olga Markowitz</i> | 27 | PROFITMAKERS | 132 |
| SHIPMENTS | 28 | CALENDAR | 136 |
| OERTLE
<i>V. Lee Oertle</i> | 30 | RETALES | 138 |



88

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Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members
GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	MAY '84	MAY '83	% CHANGE	1984	1983	% CHANGE	MAY '84	MAY '83	% CHANGE	1984	1983	% CHANGE
MOTORHOMES	131	119	+ 10%	529	480	+ 10%	93	84	+ 11%	381	342	+ 11%
TRAVEL TRAILERS	131	142	- 8%	460	462	- 1/2%	84	103	-18%	382	416	- 8%
TRUCK CAMPERS	25		+ 79%	85	65	+ 10%	18	20	-10%	105	81	+ 30%
CAMPING TRAILERS	218	174	+ 25%	871	631	+ 38%	37	30	+ 23%	134	128	+ 5%
FIFTH-WHEELS	36	31	+ 16%	179	130	+ 38%	7	7	+ 0%	45	49	- 8%

	FOR MONTH			YEAR-TO-DATE		
	MAY '84	MAY '83	% CHANGE	1984	1983	% CHANGE
SALES VOLUME	\$9,999,650	\$8,451,141	+ 12%	\$38,443,648	\$33,403,229	+ 15%
TOTAL UNIT SALES	780	724	+ 8%	3171	2784	+ 14%
NEW UNIT SALES	541	480	+ 13%	2124	1768	+ 20%
USED UNIT SALES	239	244	- 2%	1047	1016	+ 3%

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross section of the U.S. dealer body. DAB dealerships range in size from very small (less than a million dollars in annual sales) to very large (more than \$15 million in sales). Some specialize in one RV type; others offer two or more types. This report is an attempt to reflect the current retail sales picture—to show how dealers are doing. It does not purport to indicate RV production or factory sales to dealers.

May was a mixed bag for the Dealer Advisory Board (DAB). Although sales volume was slightly higher than last year's, it is becoming apparent that rocketing RV sales have orbited. The year-to-date increase for the first five months of '83 was 53%; this year it is 15%. Sales are good; for the immediate future, the average dealer will have to settle for modest increases, if any.

A few dealers—particularly some small- and medium-size ones—are defying the odds. Several reasons account for their unusual successes, not the least of which is increasing efforts to educate themselves about their business.

Used units are still moving reasonably well, but there are now as many minuses as pluses in the comparative sales figures.

MOTORHOMES

Though modest, both for May and year-to-date, this category still shows an upswing. Most motorhome dealers on the DAB showed a small gain over last May. The big complaint is that new competition is knocking down both sales and grosses. Profit ratings have dropped from excellent-to-good to good-to-fair. One rather large dealer reported them poor and added, "I think the good times are over."

Used units are still very much in demand in most areas; however, surplus units are available at wholesale or below in other areas.

TRAVEL TRAILERS

Travel-trailer dealers, in general, are having some trouble. More than half the DAB members who handle this RV type say they are hurting.

The DAB report for trailer sales in May shows a complete sweep of minuses. There's no single explanation for the drop. Employment is up; gasoline prices are stable; interest rates haven't risen. The only other explanation is that people don't have cars that will pull travel trailers. Many are buying motorhomes or folding trailers—or doing without.

There's a profit problem with travel trailers, too. Dealers in some areas report such strong competition that grosses have dropped back to 1969 lev-

els (\$400-\$500). Professional dealers cannot survive on that kind of business.

TRUCK CAMPERS

The large percentage increase for the month reflects booming sales for our campers specialist on the DAB. The report shows what can be done with this RV type if one focuses on it.

Used units are still moving well. Profits on new and used were rated good.

CAMPING TRAILERS

After a decade of struggle, camping trailers are staging a comeback.

Some DAB members who specialize in folding camping trailers are having a banner year. It's still the same old problem for those dealers who buy a few "rag tops" to stick in with their motorhomes and travel trailers. They sell a few accidentally, but with no "heart" in it, they don't do a satisfactory job. Dealers who are doing a super sales job are also doing a super profit job.

FIFTH-WHEELS

Fivers are still doing well, especially the larger units. As with camping trailers and pickup campers, fifth-wheels are a specialized aspect of the RV business. Those dealers who have good inventories and the right approach do well.

Most of the weaker profit ratings are from dealers who just dabble in fivers. Δ

RVIA, MAY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during May 1984 was 40,000 units, up 14.0% from May of 1983.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in May 1984		May 1983	Per- cent Change	Cumu- lative 1984	Cumu- lative 1983	Per- cent Change
TRAVEL TRAILERS	7,300	7,300	0%	38,400	32,700	+ 17.4%
FIFTH- WHEELS	1,800	1,700	+ 5.9%	9,300	7,000	+ 32.9%
TRUCK CAMPERS	900	700	+ 28.6%	3,900	3,000	+ 30.0%
MULTI-USE VEHICLES	17,600	14,700	+ 19.7%	75,100	65,400	+ 14.8%
TYPE A: MOTOR- HOMES	3,900	2,800	+ 39.3%	19,700	12,700	+ 55.1%
TYPE B: VAN CAMPERS	800	400	+ 100.0%	3,500	2,500	+ 40.0%
TYPE C: MINI MOTOR- HOMES	3,500	3,100	+ 12.9%	17,800	12,200	+ 45.9%
FOLDING CAMPING TRAILERS	4,200	4,400	- 4.5%	19,400	17,900	+ 8.4%
TOTALS	40,000	35,100	+ 14.0%	187,100	153,400	+ 22.0%

RV BUSINESS

SEPTEMBER 1984 \$2.00

WARRANTIES: Serving Sales On A Silver Platter

Selling The
'Other' RVs

How Secure
Are RV Locks?



Warranty

Previews On
RV Expo '85,
RVDA Convention

RV BUSINESS

A TL ENTERPRISES PUBLICATION

SEPTEMBER 1984/VOL. 35, NO. 6

FEATURES

- | | | |
|---|------------|--|
| WARRANTIES
<i>Bob Longsdorf</i> | 34 | This once unfavorable element has become an item of choice for some. |
| THE OTHER RVs
<i>Susan O'Hara</i> | 46 | Does diversification make good business sense? |
| RV LOCKS
<i>Bob Longsdorf</i> | 60 | Is there a secure answer to this problem? |
| EVOLUTION 3
<i>Don Wright/Ron Kaser</i> | 66 | This controversial fabric is materializing in the industry. |
| COACHMEN SEES TOMORROW
<i>John Thompson</i> | 78 | RVB talks with the company's top management. |
| RV EXPO '85 | 107 | Here's your handy guide to the 16th Annual Northeast Regional RV Show. |
| RVDA CONVENTION | 111 | Meet the speakers and find out what to expect in Orlando. |



46

DEPARTMENTS

- | | | | |
|--|-----------|--|------------|
| EDITORIAL
<i>Michael Schneider</i> | 3 | SHIPMENTS | 28 |
| LETTERS | 9 | RV PEOPLE | 30 |
| WRIGHT
<i>Don Wright</i> | 12 | WILMATH
<i>Cliff Wilmath</i> | 32 |
| MAXWELL
<i>Gaylord Maxwell</i> | 17 | INDUSTRY NEWS
<i>Olga Markowitz</i> | 87 |
| OERTLE
<i>V. Lee Oertle</i> | 20 | AD OF THE MONTH
<i>Ben Sussman</i> | 95 |
| BAROMETER
<i>John Thompson</i> | 25 | MANAGEMENT MARQUEE
<i>Simon Schwartz</i> | 99 |
| PERSPECTIVE
<i>Gaylord Maxwell</i> | 26 | CALENDAR | 120 |
| ASSOCIATIONS
<i>Olga Markowitz</i> | 27 | RETALES | 122 |



66

ON THE COVER: Once seen as a necessary evil, product warranties are now becoming a powerful sales tool. Some industry persons now believe that, handled properly, warranties can practically hand you sales on a silver platter. See page 34 to discover what this new approach can do for your business. Photo: Paul Pribble.

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Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	MAY '84	MAY '83	% CHANGE	1984	1983	% CHANGE	MAY '84	MAY '83	% CHANGE	1984	1983	% CHANGE
MOTORHOMES	121	123	- 2%	653	617	+ 6%	99	80	+ 24%	488	426	+ 15%
TRAVEL TRAILERS	105	137	-23%	560	623	-11%	108	110	- 2%	513	520	- 1%
TRUCK CAMPERS	21		- 9%	110	102	+ 8%	17	18	- 6%	126	102	+ 24%
CAMPING TRAILERS	195	247	-21%	1096	937	+ 17%	50	47	+ 6%	181	187	- 3%
FIFTH-WHEELS	39	43	- 9%	217	174	+ 25%	11	15	-27%	56	65	-14%

	FOR MONTH			YEAR-TO-DATE		
	MAY '84	MAY '83	% CHANGE	1984	1983	% CHANGE
SALES VOLUME	\$9,608,270	\$8,138,187	+ 18%	\$50,138,165	\$44,917,925	+ 12%
TOTAL UNIT SALES	766	811	- 6%	4000	3756	+ 6%
NEW UNIT SALES	481	541	- 11%	2636	2456	+ 7%
USED UNIT SALES	285	270	+ 6%	1364	1300	+ 5%

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross section of the U.S. dealer body. DAB dealerships range in size from very small (less than a million dollars in annual sales) to very large (more than \$15 million in sales). Some specialize in one RV type; others offer two or more types. This report is an attempt to reflect the current retail sales picture—to show how dealers are doing. It does not purport to indicate RV production or factory sales to dealers.

RVB's Dealer Advisory Board (DAB) figures for June show that the average dealer is selling fewer units than he was last year at this time, but he's taking in more dollars.

The drop in retail sales for individual dealers does not necessarily indicate that industrywide RV sales are fewer. In fact, manufacturer shipment reports show that at the wholesale level, sales are up substantially. The obvious conclusion is that those increased shipments are going to more dealers. An unfortunate condition that exists in the RV industry is that as soon as business gets good, new dealers jump on the bandwagon; when it gets bad, they jump off just as quickly. The result is an unstable sales and profit situation. It's a condition that can be remedied only at the manufacturing level; unfortunately, the same problems exists there. As long as this condition persists, the RV industry will have an element of instability.

MOTORHOMES

DAB motorhome dealers are almost evenly divided between the ups and the downs, but '84 sales figures for new units are two short of the figures for June '83. In many cases, new dealers are hurting old dealers. Some multitype dealers who dropped motorhomes from their inventories during the lean years are back again; the cake was too tempting. More significant is the return of the auto dealer to the motorhome game. In some areas, grosses have slipped. It's going to get tougher, but a lot of motorhomes are going to be sold. Good dealers will still get their share and make good profits but, quite likely, there will be some shakeout this winter.

TRAVEL TRAILERS

Trailer dealers took it on the chin in June. More than two-thirds of the DAB dealers who stock travel trailers were down from the previous year. Even used sales were slightly off pace. Everyone is asking, "What's the matter?" No one has the answer. Some speculate that it is the tow rig problem. Others believe it's the increase in the number of dealers. Another reason given is that people are still catching up from the effects of the recession. Probably all of these reasons are valid and help account for the slow-down for the average dealer. One might add that some people are opting for motorhomes over trailers for two reasons: 1) The motorhome is still the glamour RV and appeals to more first-time buyers, and 2) the price difference

between a motorhome and a trailer/tow rig combination has become slight.

TRUCK CAMPERS

Most of the camper sales reported for June were made by a DAB dealer who is a camper specialist whose business is booming. Profits were rated excellent. Used unit sales were good for the month and have the highest increase for any category for the year-to-date.

CAMPING TRAILERS

After one of the best starts in recent years, there is an obvious downturn in camping trailer sales. The drop from last June whittled away and the strong year-to-date increase—which still remains a healthy 17% for the DAB. Used sales were up a little for the month, but they have fallen behind for the year-to-date. Profits were rated all the way from excellent to poor. Most folding trailer specialists are doing well; those who stock only a few and do not give them much attention are having problems.

FIFTH-WHEELS

After a long string of monthly increases, fivers took a little drop in June. Year-to-date, it is still the leading category in percentage of increase. Most sales are going to those dealers who have strong departments in that type and give a strong sales effort. In June, many dealers who stock only a few got a sale or two. Profits were rated excellent to good. Δ

RVIA, JUNE

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during June 1984 was 37,100 units, up 2.2% from June of 1983.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in June 1984		June 1983	Per- cent Change	Cumu- lative 1984	Cumu- lative 1983	Per- cent Change
TRAVEL TRAILERS	6,400	7,700	-16.9%	44,800	40,400	+ 10.9%
FIFTH- WHEELS	1,700	2,000	-15.0%	11,000	9,000	+ 22.2%
TRUCK CAMPERS	900	800	+ 12.5%	4,800	3,800	+ 26.3%
MULTI-USE VEHICLES	17,900	15,200	+ 17.8%	93,100	80,600	+ 15.4%
TYPE A: MOTOR- HOMES	3,000	3,200	- 6.3%	22,700	15,900	+ 42.8%
TYPE B: VAN CAMPERS	900	400	+ 125.0%	4,400	2,900	+ 51.7%
TYPE C: MINI MOTOR- HOMES	2,600	3,200	- 18.8%	20,400	15,400	+ 32.5%
FOLDING CAMPING TRAILERS	3,700	3,800	- 2.6%	23,100	21,700	+ 6.5%
TOTALS	37,100	36,300	+ 2.2%	224,200	189,700	+ 18.2%